

any lessee company upon which valuation the franchise tax is required to be paid by the operating company.

SUBSECTION (c). Amend Subsection (6) of Section two hundred and three by striking out in line eight the words "and deliver to the Commissioner of Revenue" and inserting in lieu thereof the words "shall impose a greater privilege or license tax."

SUBSECTION (d). Amend Section two hundred and ten, Subsection (2) by striking out the second paragraph of said subsection and inserting in lieu thereof the following:

Every corporation doing business in this State which is a parent, subsidiary or affiliate of another corporation shall add to its capital stock surplus and undivided profits all indebtedness owed to or endorsed or guaranteed by a parent, subsidiary or affiliated corporation as a part of its capital used in its business and as a part of the base for franchise tax under this section. The term "indebtedness" as used in this paragraph shall include all loans, credits, goods, supplies or other capital of whatsoever nature furnished by a parent, subsidiary, or affiliated corporation. The terms "parent," "subsidiary," and "affiliate" as used in this paragraph shall have the meaning specified in Section three hundred eighteen and one half of this Act. If any part of the capital of the creditor corporation is capital borrowed from a source other than a parent, subsidiary or affiliate, the debtor corporation, which is required under this paragraph to include in its tax base the amount of debt by reason of being a parent, subsidiary, or affiliate of the said creditor corporation, may deduct from the debt thus included a proportionate part determined on the basis of the ratio of such borrowed capital as above specified of the creditor corporation to the total assets of the said creditor corporation. Further, in case the creditor corporation as above specified is also taxable under the provisions of this section, such creditor corporation shall be allowed to deduct from the total of its capital, surplus and undivided profits the amount of any debt owed to it by a parent, subsidiary or affiliated corporation to the extent that such debt has been included in the tax base of said parent, subsidiary or affiliated debtor corporation reporting for taxation under the provisions of this section.

Relating to parent subsidiary and affiliated corporations.

SUBSECTION (e). Amend Section two hundred and ten, Subsection (4), by adding a new paragraph at the end thereof, such paragraph to read as follows:

In determining the total tax payable by any corporation under this section and under Section two hundred and two there shall be allowed as a credit on such tax the amount of intangibles tax paid during the preceding franchise tax year on bank deposits